



Loudoun County, Virginia

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Loudoun County Board of Supervisors

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February 7, 2014

Chairman Eric Hornberger
Loudoun County School Board
21000 Education Court
Ashburn, VA 20148

Re: Fiscal Year 2015 School Board Budget Request

Dear Chairman Hornberger and School Board Members,

On Wednesday, the Board of Supervisors received the County Administrator's FY 2015 Proposed Fiscal Plan. According to the fiscal guidance we provided to the County Administrator, the homeowner's equalized real property tax rate of \$1.155 is the basis for the Proposed Fiscal Plan. This guidance was also transmitted to the School Superintendent and the School Board by the County Administrator shortly after it was adopted in September 2013. Updates to the revenue numbers were also provided to the Superintendent as new information became available.

At the real property tax rate of \$1.155, general County Government Operations are balanced; however, there remains a difference between the revenue available and School Board's adopted request of approximately \$39.4 million.

In order for the Board of Supervisors, the School Board, and the public to engage in a productive discussion of needs and resources, additional information is needed from the School Board and staff. To that end, the Board of Supervisors is requesting information about what programmatic needs and requirements can be fulfilled or not fulfilled within the funding provided to the Schools under the County Administrator's proposal to us. The funding provided to the Schools in the County Administrator's Proposed Fiscal Plan is illustrated below.

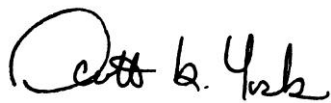
<u>Tax Rate</u>	<u>Local Transfer (incl. OPEB)</u>	<u>Increase in Local Transfer over FY 2014</u>	<u>Difference from School Board Adopted</u>
\$1.155	\$599,143,285	\$45,527,803	(39,364,097)

It is important to note that the numbers above refer only to the Local Fund Transfer. When additional federal, state, and school's own source funds are added, funding for Loudoun County Public Schools would increase by an estimated \$66.7 million based on the homeowner's equalized real property tax rate. Additionally, we are both working with our state legislative

delegations to increase "cost to compete" funding which could add as much as another \$7 million to Schools funding in FY 2015. As stated above, it is important for us to understand what the School Board will be able to accomplish with the County Administrator's proposal, inclusive of the additional federal, state, and own source revenues, and what you would propose to defer.

The Board of Supervisors would like to engage in this discussion with the School Board at our March 3, 2014, budget work session. Any information that could be provided to inform this meeting will assist the Board of Supervisors in making the decisions necessary to balance school system and other community needs for FY 2015.

Sincerely,

A handwritten signature in black ink, appearing to read "Scott K. York". The signature is fluid and cursive, with the first name "Scott" being more prominent than the last name "York".

Scott K. York, Chairman
Loudoun County Board of Supervisors

Cc: Loudoun County Board of Supervisors
Loudoun County School Board
Edgar Hatrick, Superintendent
Tim Hemstreet, County Administrator